



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 March 18, 2014

Sachi A. Hamai

SACHI A. HAMAI
EXECUTIVE OFFICER

March 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

RECOMMENDATION TO AWARD A SOLE SOURCE CONTRACT FOR ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES TO BID4ASSETS, INC. (ALL DISTRICTS) (3 VOTES)

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The recommended action is to approve and instruct the Chairman to sign a Sole Source Contract (Contract) with Bid4Assets, Inc. (Bid4Assets) to provide online auctions of tax defaulted property.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chairman to sign a Contract with Bid4Assets to conduct online auctions of tax defaulted property for a period of three years commencing after execution by the Board of Supervisors (Board) at no cost to the County of Los Angeles (County).
2. Delegate authority to the Treasurer and Tax Collector (TTC) to execute future Amendments to the Contract that extend the term of the Contract for each of the two one-year renewal periods and/or six month-to-month extensions provided for in the Contract at the option of the TTC in accordance with the term of the Contract.
3. Delegate authority to the TTC to execute future Amendments to modify the terms of the Statement of Work that do not materially alter the Contract, and/or to add and/or change certain terms and conditions in the Contract as required by the Board or Chief Executive Office (CEO) provided County

Counsel's approval is obtained prior to execution of such Amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Pursuant to California Revenue and Taxation Code Division 1, Part 6, Chapter 7, the TTC is mandated to offer tax defaulted property for sale within four years after the property becomes subject to the power of sale for nonpayment of taxes, and if unsold, to offer the property at intervals of no more than six years thereafter.

Prior to recent budget curtailments, the TTC had historically offered tax defaulted properties for auction in the following sequence:

1. "A" Auction – Properties are first offered at an in-person public auction, which is typically held in the fall.
2. "B" Auction – If properties did not sell at the "A" Auction or were excluded from that auction, they would then be offered at an in-person public auction typically held in the summer.
3. "C" Auction – Finally, properties that are rendered unusable by their sizes, locations, or other conditions are offered in a Sealed Bid Auction. In a Sealed Bid Auction, the TTC offers the property to owners of contiguous parcels or to a holder of record of either a predominant easement or a right-of-way easement.

In 2010, due to budget curtailments that reduced auction staffing, the TTC canceled the "B" and "C" Auctions and began to hold only one in-person public auction per year (an "A" Auction in the fall). However, the current practice of conducting one auction per year jeopardizes the TTC's ability to comply with the statutory requirements as outlined above.

In an effort to ensure statutory requirements are met and to maximize the number of parcels returned to a tax-paying status, the TTC is recommending an online "B" Auction for vacant (unimproved) land that had been previously offered at an in-person "A" Auction, but did not sell.

The benefit of an online auction is that it provides easier access for participation, which affords a greater opportunity to expand the pool of bidders. With a larger bidder pool, there is an increased likelihood of selling more tax defaulted properties. In-person auctions conducted by the TTC typically draw about four hundred to five hundred registered bidders; however, with an online auction, that number could be much higher as the constraints of having to appear in-person would not apply.

The TTC's cost savings that would result from implementation of an online auction functionality approximates \$23,000, on an annual basis. These savings result from reduced rental, security, meal, and other related in-person auction expenses.

Furthermore, several processes formerly conducted by TTC staff during a "B" Auction would be transferred to Bid4Assets, such as bidder registration and establishment of Auction Trust Accounts for bidders.

In order to conduct an online auction, the TTC is recommending a Contract with Bid4Assets, the only vendor with significant experience conducting online auctions of tax defaulted properties for California counties. Online auctioning of tax defaulted property in California is currently a specialized

market. The large number of tax defaulted properties in the County demands that the TTC use an online auctioneer who is experienced with bringing together a large number of tax defaulted properties and a large number of bidders.

For more than ten years, Bid4Assets has been the sole vendor in California providing this specialized service and has conducted online auctions of tax defaulted properties for 37 California counties. Bid4Assets' proven track record of online auctioning of tax defaulted properties for other California counties, and its established processes to collect information and registration fees from a large pool of bidders greatly reduces the possibility of canceled sales or potential litigation arising from mishandled sales or bidder registrations.

The TTC did consider other vendors that conduct online auctions of real property over the Internet; however, no other vendor had the same experience or demonstrated track record as Bid4Assets in conducting online auctions of tax defaulted property in California. Due to the potential volume of parcels and the fact that this is the first time the TTC will be conducting an online auction of tax defaulted property, these are critical factors in choosing a contractor.

Implementation of Strategic Plan Goals

Implementation of an online auction of tax defaulted property will meet the County's Strategic Plan Goals of Operational Effectiveness by maximizing the number of potential bidders, and Fiscal Sustainability by potentially increasing the number of parcels returned to a tax-paying status.

FISCAL IMPACT/FINANCING

The TTC has negotiated a no-cost Contract with Bid4Assets for online auctions, and the TTC will not incur any conversion or implementation costs. Bid4Assets will assess its own fees to the winning bidder of the online auction of tax defaulted property. These fees are in addition to the bid amounts due to the TTC and shall be settled between Bid4Assets and the winning bidder.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Chief Information Office (CIO) reviewed the Contract and recommends approval. The CIO Analysis is attached as Attachment I.

The Contract is with Bid4Assets, a private firm specializing in providing online auctions of tax defaulted property.

In accordance with your Board's Policy Number 5.100, Sole Source Contracts, the Sole Source Checklist is attached as Attachment II.

The term of the Contract (Attachment III) is for three years, unless sooner terminated or extended, in whole or in part, as provided in the Contract. The TTC shall have the sole option to extend the Contract term for up to two additional one-year periods and/or six month-to-month extensions, for a maximum total Contract term of five years and six months.

The following Contract paragraphs have been intentionally omitted because Bid4Assets is based out of state:

- a. 5.6 Local Small Business Enterprise (SBE) Prompt Payment Program
- b. 8.8 Compliance with the County's Jury Service Program

- c. 8.10 Consideration of Hiring County Employees Targeted for Layoff or Re-Employment List
- d. 8.11 Consideration of Hiring Gain/Grow Program Participants
- e. 8.13 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law
- f. 8.33 Notice to Employees Regarding the Safely Surrendered Baby Law
- g. 9.2 Local Small Business Enterprise (SBE) Preference Program
- h. 9.6 Transitional Job Opportunities Preference Program
- i. 9.8 Time off for Voting
- j. 9.9 Disabled Veteran Business Enterprise Preference Program

The following Contract paragraphs have been intentionally omitted:

- a. 8.4 Budget Reductions - Intentionally omitted because this is a no cost Contract.
- b. 8.39 Recycled Bond Paper - Intentionally omitted because Bid4Assets is based out of state and its solid waste does not impact County landfills.

The Contract has been approved as to form by County Counsel. The CEO's Risk Management Office has approved the insurance coverage, indemnification and liability provisions included in the Contract.

County Counsel has reviewed and approved the exceptions.

CONTRACTING PROCESS

We briefed the item at the Operations Cluster Meeting on March 7, 2013. Thereafter, on March 18, 2013, in accordance with your Board's Policy Number 5.100, the TTC submitted to your Board a Notice of Intent to negotiate a Contract with Bid4Assets.

Bid4Assets is the only experienced vendor who currently provides the specialized service of conducting online auctions of tax defaulted property for California counties. The company has been performing auctions of tax defaulted property in the state of California for over ten years. Its experience, expertise, and well-established processes of handling large parcel volumes will greatly reduce the risk of cancelled and/or mishandled sales and potential litigation. In addition, the proposed Contractor's fee process allows for the parcel fee to be added to the winning bid, avoiding a cost to the County.

Since commencing Contract negotiations with Bid4Assets, one additional vendor began offering online auctions of tax defaulted property in the state of California. However, due to this vendor's lack of experience and expertise in conducting online auctions of tax defaulted properties in California, they would not meet the minimum requirements in a Request for Proposal.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

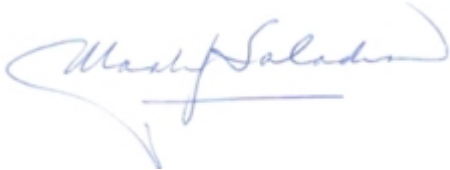
The TTC's online auction will expand the bidder pool thereby increasing the likelihood of selling more tax defaulted properties, increasing the collection of defaulted taxes, reducing operational costs, and returning parcels purchased to a tax-paying status. Additionally, by selling properties online, there will be a decrease in costs associated with re-offering properties for sale, mailing notices on defaulted properties, and conducting an in-person auction.

The TTC has calendared an online auction of tax defaulted property for late Spring 2014.

CONCLUSION

Instruct the Executive Officer/Clerk of the Board to return two signed originals of the Contract and one adopted Board letter to the TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector



RICHARD SANCHEZ
Chief Information Officer

MJS:KG:SPB
EVT:ca

Enclosures

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors
Chief Information Office
Assessor
Auditor-Controller



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO
CIO Analysis

Attachment I

NUMBER:	DATE:
CA 14-03	3/3/2014

SUBJECT:

RECOMMENDATION TO AWARD A SOLE SOURCE CONTRACT FOR ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES TO BID4ASSETS, INC.

RECOMMENDATION:

☒ Approve ☐ Approve with Modification ☐ Disapprove

CONTRACT TYPE:

☒ New Contract ☒ Sole Source
☐ Amendment to Contract #: ☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☐ Software ☐ Hardware
☐ Telecommunications ☒ Professional Services

SUMMARY:

Department Executive Sponsor: Mark J. Saladino, Treasurer and Tax Collector

Description: The Treasurer and Tax Collector (TTC) is requesting approval of a Sole Source Contract with Bid4Assets, Inc. (Bid4Assets) to conduct online auctions of tax defaulted property for a term of three years with two one-year options and/or six month-to-month extensions. TTC is also requesting delegated authority to execute future amendments to modify the terms of the Statement of Work that do not materially alter the contract.

Contract Amount: \$0 Funding Source: No cost contract

☐ Legislative or Regulatory Mandate ☐ Subvened/Grant Funded

**Strategic and
Business Analysis**

PROJECT GOALS AND OBJECTIVES:

This Contract will enable TTC to provide online auctions of tax defaulted properties. It will supplement the in-person public auctions that TTC currently conducts.

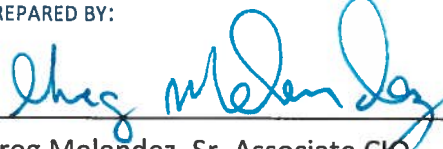

BUSINESS DRIVERS:

It addresses the following goals: 1) allows TTC to comply with statutory requirements for conducting the sale of Tax Defaulted Properties; 2) maximizes recovery of delinquent taxes; and 3) maximizes return of these properties to the County tax rolls.

PROJECT ORGANIZATION:

The Contract will be managed by TTC's Tax Collection Branch under the direction of Kathy Gloster, Assistant Treasurer & Tax Collector.

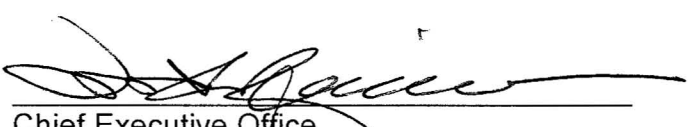
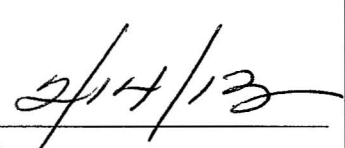
	<p>PERFORMANCE METRICS:</p> <p>The Contract identifies performance requirements that the Contractor must meet or be assessed monetary penalties.</p> <hr/> <p>STRATEGIC AND BUSINESS ALIGNMENT:</p> <p>This Contract supports the County's Strategic Plan Goal 1 – Organizational Effectiveness and Goal 2 – Fiscal Sustainability.</p> <hr/> <p>PROJECT APPROACH:</p> <p>Bid4Assets is responsible for auction website services, including organizing, posting, hosting, servicing advertised tax defaulted properties, and providing due diligence information for these properties. TTC has scheduled an online auction of tax defaulted property for late Spring 2014.</p> <p>As part of this solution, TTC requires that Bid4Assets provide a trust account system to manage bidder deposits, which manages hold funds, applied funds, disbursements, and refunds. These deposits may be done via credit/debit cards and electronic checks, which are handled by an online payment processor.</p> <p>TTC was granted an exemption from using Fidelity Information System (FIS), the County's standard online payment processor because the Bid4Assets was an integrated solution included with tax defaulted property auction management services.</p> <hr/> <p>ALTERNATIVES ANALYZED:</p> <p>TTC did consider other vendors that conduct online auctions of real property; however, no other vendor has comparable experience or demonstrated a track record in conducting online auctions of tax defaulted property in California.</p>				
Technical Analysis	<p>ANALYSIS OF PROPOSED IT SOLUTION:</p> <p>TTC auction website will be hosted on Bid4Assets' proprietary technology platform.</p>				
Financial Analysis	<p>BUDGET:</p> <table> <tr> <td>Total one-time costs:</td><td>\$ 0</td></tr> <tr> <td>Total ongoing annual costs:</td><td>\$ 0</td></tr> </table> <p>This Contract with Bid4Assets to conduct these online auctions is at no-cost. Bid4Assets assesses a \$150 fee to the winning bidder of the online auction of tax defaulted property. TTC will not incur any one-time or ongoing Contract costs.</p>	Total one-time costs:	\$ 0	Total ongoing annual costs:	\$ 0
Total one-time costs:	\$ 0				
Total ongoing annual costs:	\$ 0				

Risk Analysis	<p>RISK MITIGATION:</p> <ol style="list-style-type: none"> 1. Bid4Assets has a demonstrated a track record in conducting online auctions of tax defaulted properties for 37 California counties. 2. TTC is planning to utilize a measured approach for utilizing Bid4Assets services. They only plan to use these services for unimproved parcels that have been offered at TTC physical auctions but have not been sold. TTC plans to pilot the use of these services for a limited number of unimproved parcels in late Spring 2014. 3. The Chief Information Security Officer (CISO) has reviewed the Agreement/Amendment/Contract and did not identify any IT security or privacy related issues.
CIO Approval	<p>PREPARED BY:</p> <p> _____ Greg Melendez, Sr. Associate CIO</p> <p><u>3/4/2014</u> _____ Date</p> <p>APPROVED:</p> <p> _____ Richard Sanchez, County Chief Information Officer</p> <p><u>3-4-14</u> _____ Date</p>

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>

SOLE SOURCE CHECKLIST

*Please refer to Board Policy #5.100, Sole Source Contracts, for further reference

Check (√)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Chief Executive Office </div> <div style="text-align: center;">  Date </div> </div>	



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

BID4ASSETS, INC.

FOR

ONLINE AUCTIONS OF

TAX DEFAULTED PROPERTY SERVICES

TABLE OF CONTENTS

PARAGRAPH	TITLE	PAGE
	RECITALS.....	1
1.0	APPLICABLE DOCUMENTS	2
2.0	DEFINITIONS.....	2
3.0	WORK	3
4.0	TERM OF CONTRACT	4
5.0	COMMISSION RATES	5
6.0	ADMINISTRATION OF CONTRACT - COUNTY	6
6.1	COUNTY'S CONTRACT ADMINISTRATOR.....	6
6.2	COUNTY'S CONTRACT MANAGER	7
6.3	COUNTY'S CONTRACT MONITOR	7
7.0	ADMINISTRATION OF CONTRACT - CONTRACTOR.....	7
7.1	CONTRACTOR'S CONTRACT ADMINISTRATOR.....	7
7.2	CONTRACTOR'S CONTRACT MANAGER	8
7.3	APPROVAL OF CONTRACTOR'S STAFF	9
7.4	CONTRACTOR'S STAFF IDENTIFICATION	9
7.5	BACKGROUND AND SECURITY INVESTIGATIONS	9
7.6	CONFIDENTIALITY.....	10
8.0	STANDARD TERMS AND CONDITIONS	11
8.1	CHANGE NOTICES AND AMENDMENTS	11
8.2	ASSIGNMENT AND DELEGATION	12
8.3	AUTHORIZATION WARRANTY	13
8.4	BUDGET REDUCTIONS.....	13
8.5	COMPLAINTS	13
8.6	COMPLIANCE WITH APPLICABLE LAWS.....	14
8.7	COMPLIANCE WITH CIVIL RIGHTS LAWS	15
8.8	COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM.....	15
8.9	CONFLICT OF INTEREST	15
8.10	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST	16
8.11	CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS	16
8.12	CONTRACTOR RESPONSIBILITY AND DEBARMENT	16

8.13	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	19
8.14	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	19
8.15	COUNTY'S QUALITY ASSURANCE PLAN	19
8.16	DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS	20
8.17	EMPLOYMENT ELIGIBILITY VERIFICATION	20
8.18	FACSIMILE REPRESENTATIONS	21
8.19	FAIR LABOR STANDARDS	21
8.20	FORCE MAJEURE	21
8.21	GOVERNING LAW, JURISDICTION, AND VENUE	22
8.22	INDEPENDENT CONTRACTOR STATUS	22
8.23	INDEMNIFICATION.....	23
8.24	GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE	23
8.25	INSURANCE COVERAGE	28
8.26	LIQUIDATED DAMAGES	29
8.27	MOST FAVORED PUBLIC ENTITY	31
8.28	NONDISCRIMINATION AND AFFIRMATIVE ACTION	31
8.29	NON EXCLUSIVITY	33
8.30	NOTICE OF DELAYS.....	33
8.31	NOTICE OF DISPUTES	33
8.32	NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	33
8.33	NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW	33
8.34	NOTICES	33
8.35	PROHIBITION AGAINST INDUCEMENT OR PERSUASION.....	34
8.36	PUBLIC RECORDS ACT	34
8.37	PUBLICITY	35
8.38	RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT.....	35
8.39	RECYCLED BOND PAPER	37
8.40	SUBCONTRACTING	37
8.41	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH THE COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM.....	38
8.42	TERMINATION FOR CONVENIENCE	39

8.43	TERMINATION FOR DEFAULT	39
8.44	TERMINATION FOR IMPROPER CONSIDERATION	40
8.45	TERMINATION FOR INSOLVENCY	41
8.46	TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE	41
8.47	TERMINATION FOR NON-APPROPRIATION OF FUNDS	42
8.48	USE OF THE COUNTY SEAL AND/OR TTC LOGOS	42
8.49	VALIDITY	42
8.50	WAIVER	42
8.51	WARRANTY AGAINST CONTINGENT FEES	43
8.52	WARRANTY OF COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM	43
8.53	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM.....	43
9.0	UNIQUE TERMS AND CONDITIONS	44
9.1	COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM	44
9.2	LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM.....	44
9.3	OWNERSHIP OF MATERIALS, SOFTWARE, AND COPYRIGHT	44
9.4	PATENT, COPYRIGHT, AND TRADE SECRET INDEMNIFICATION	45
9.5	CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE	46
9.6	TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM	46
9.7	DATA DESTRUCTION	46
9.8	TIME OFF FOR VOTING	47
9.9	DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM	47

TABLE OF CONTENTS

STANDARD EXHIBITS

A	STATEMENT OF WORK
B	COMMISSION RATES
C	TECHNICAL EXHIBITS
D	CONTRACTOR'S EEO CERTIFICATION
E	COUNTY'S ADMINISTRATION
F	CONTRACTOR'S ADMINISTRATION
G	ACKNOWLEDGEMENT AND CONFIDENTIALITY FORM(S)
H	JURY SERVICE ORDINANCE (Intentionally Omitted)
I	FEDERAL EARNED INCOME CREDIT
J	SAFELY SURRENDERED BABY LAW (Intentionally Omitted)
K	DEFAULTED PROPERTY TAX REDUCTION PROGRAM

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
BID4ASSETS, INC.
FOR
ONLINE AUCTIONS OF
TAX DEFAULTED PROPERTY SERVICES**

This Contract and Exhibits made and entered into this 18th day of March, 2014, by and between the County of Los Angeles, hereinafter referred to as County, and Bid4Assets, Inc., hereinafter referred to as Contractor. The Contractor is located at 8757 Georgia Avenue, Suite 520, Silver Spring, MD 20910.

RECITALS

WHEREAS, pursuant to California Government Code Title 3, Division 4, Part 1 and Division 2, Part 1, Chapter 1, which authorize a County's Board of Supervisors (Board) to contract for special services; and

WHEREAS, pursuant to California Revenue and Taxation Code Division 1, Part 6, Chapter 7, the County Treasurer and Tax Collector (TTC) is mandated to sell tax defaulted property within five years of the time the property becomes subject to sale for nonpayment of taxes, and to sell the property at intervals of no more than six years if there are no acceptable bids at the first attempted sale; and

WHEREAS, the County may contract with private businesses for Online Auctions of Tax Defaulted Property Services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing Online Auctions of Tax Defaulted Property Services;

NOW THEREFORE, in consideration of the mutual covenants contained herein and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, and K are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:

Standard Exhibits:

- EXHIBIT A - Statement of Work (SOW)
- EXHIBIT B - Commission Rates
- EXHIBIT C - Technical Exhibits
- EXHIBIT D - Contractor's EEO Certification
- EXHIBIT E - County's Administration
- EXHIBIT F - Contractor's Administration
- EXHIBIT G - Acknowledgement and Confidentiality Form(s)
- EXHIBIT H - Jury Service Ordinance (Intentionally Omitted)
- EXHIBIT I - Federal Earned Income Credit
- EXHIBIT J - Safely Surrendered Baby Law (Intentionally Omitted)
- EXHIBIT K - Defaulted Property Tax Reduction Program

2.0 DEFINITIONS

The headings are for convenience and reference only and are not intended to define the scope of any provision. The following words herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 Contract:** Agreement executed between the County and the Contractor. It sets forth the terms and conditions for the issuance and performance of the SOW, Exhibit A.
- 2.2 Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the SOW.
- 2.3 Contractor Contract Administrator:** The individual designated by the Contractor as principal officer to oversee contractual or administrative matters relating to this Contract that cannot be resolved by the Contractor's Contract Manager.
- 2.4 Contractor Contract Manager:** The individual designated by the Contractor to administer the Contract after the Contract award.
- 2.5 County Contract Administrator:** Person designated by the County with authority for the County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Contract Manager.
- 2.6 County Contract Manager:** Person designated by the County's Contract Administrator to manage the operations under this Contract.
- 2.7 County Contract Monitor:** Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services, and other work provided by the Contractor.
- 2.8 Day(s):** Calendar day(s) unless otherwise specified.
- 2.9 Fiscal Year:** The 12-month period beginning July 1st and ending the following June 30th.
- 2.10 Treasurer and Tax Collector:** As used herein, the term *Treasurer and Tax Collector* shall mean the Director of the County's Department of the TTC.

3.0 WORK

- 3.1** Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete, and deliver on time; all tasks, deliverables, services, and other work as set forth in Exhibit A, SOW.

- 3.2 The Contractor agrees that the performance of work and services pursuant to the requirements of this Contract shall conform to high professional standards as exist in the Contractor's profession or field of practice.
- 3.3 If the Contractor provides any tasks, deliverables, goods, services, or other work other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The Term of this Contract shall be three years commencing after execution by the County Board, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and/or six month-to-month extensions for a maximum total Contract Term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the TTC throughout the term of the Contract to meet the needs of the County. In the event the TTC desires to renew the Contract by exercising an option term, the TTC shall provide the Contractor with a written notice of intent to renew the Contract 30 calendar days prior to the expiration of the current Term of the Contract. The exercise of the renewal option shall be set forth in writing as provided in Subparagraph 8.1, Change Notices and Amendments, of this Contract. As used herein, the phrases *Term of the Contract* or *Contract Term* include the Initial Term and all Extended Terms elected by the County.

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a Contract Term extension option.

- 4.3 The Contractor shall notify the TTC when this Contract is within six months from the expiration of the Contract Term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send a written notification to the TTC at the address herein provided in Exhibit E, County's Administration.

5.0 COMMISSION RATES

5.1 COMMISSION RATES

The Contractor's Commission Rates shall remain firm and fixed for the Term of the Contract in accordance with Exhibit B, Commission Rates, of this Contract.

5.2 COMMISSION PAYMENT

The Contractor will structure a payment and settlement system in accordance with Exhibit A, SOW, Subparagraph 3.11, Payments.

- 5.3** The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.4 CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS RECEIVED 75% OF TOTAL CONTRACT AMOUNT

Intentionally Omitted

5.5 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT

The Contractor shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any services provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify the County and shall immediately repay all such funds to the County. Payment by the County for services rendered after expiration/termination of this Contract shall not constitute a waiver of the County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

5.6 LOCAL SMALL BUSINESS ENTERPRISE PROMPT PAYMENT PROGRAM

Intentionally Omitted

6.0 ADMINISTRATION OF CONTRACT - COUNTY

County's Administration

A listing of all County Administration referenced in the following subparagraphs is designated in Exhibit E, County's Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

County Personnel

The TTC shall assign a Contract Administrator and a Contract Manager to provide overall management and coordination of the Contract and act as liaisons for the TTC. The County Contract Administrator shall provide information to the Contractor in areas relating to policy and procedural requirements and the County Contract Manager will monitor the Contractor's performance during the Term of the Contract. The TTC shall inform the Contractor in writing of the name, address, and telephone number of the individuals designated to act as Contract Administrator and Contract Manager, or any alternate identified in Exhibit E, County's Administration, of this Contract at the time the Contract is executed and notify the Contractor as changes occur.

6.1 COUNTY'S CONTRACT ADMINISTRATOR

- 6.1.1 The County Contract Administrator is designated in Exhibit E, County's Administration, of this Contract. The TTC shall contact the Contractor in writing of any changes in the name or address of the Contract Administrator.
- 6.1.2 The County Contract Administrator shall be responsible for ensuring that the objectives of this Contract are met and determining Contractor's compliance with the Contract and inspecting all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.
- 6.1.3 The County Contract Administrator is responsible for providing overall direction to the Contractor in the areas relating to the County policy, information requirements, and procedural requirements.
- 6.1.4 The County Contract Administrator is not authorized to make any changes in any of the terms and conditions of this Contract except as permitted in accordance with Subparagraph 8.1, Change Notices and Amendments, of this

Contract and is not authorized to further obligate the County in any respect whatsoever.

6.2 COUNTY'S CONTRACT MANAGER

The responsibilities of the County's Contract Manager include:

- Request meetings as needed with the Contractor's Contract Manager and/or Alternate Contract Manager; and
- Inspect any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Contract Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate the County in any respect whatsoever.

6.3 COUNTY'S CONTRACT MONITOR

The County's Contract Monitor is responsible for overseeing the day-to-day administration of this Contract. The Contract Monitor reports to the County's Contract Manager.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

Contractor Personnel

The Contractor shall assign a sufficient number of employees to perform the required work. At least one employee on site shall be authorized to act for the Contractor in every detail and must speak and understand English.

The Contractor shall be required to background check its employees as set forth in Subparagraph 7.5, Background and Security Investigations, of this Contract.

7.1 CONTRACTOR'S CONTRACT ADMINISTRATOR

7.1.1 The Contractor's Contract Administrator shall be a full-time employee of the Contractor. The Contractor's Contract Administrator shall be the principal officer in the Contractor's office to service the Contract and to act as a liaison for the Contractor in coordinating the performance under the Contract. The County must be provided in writing with the name, address, and telephone number of the individual

designated to act as Contract Administrator, or any alternate identified in Exhibit F, Contractor's Administration, of this Contract and provide a current copy of the person's resume at the time the Contract is executed and notify the County as changes occur.

7.1.2 The Contractor's Contract Administrator shall be responsible for the Contractor's performance of all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor and ensuring the Contractor's compliance with this Contract.

7.1.3 The Contractor's Contract Administrator shall be available to meet and confer with the County's Contract Administrator on an as needed basis, either in person or by telephone as mutually agreed by the parties, to review Contract performance and discuss Contract coordination. Such meetings shall be conducted at a time and place as mutually agreed by the parties.

7.2 CONTRACTOR'S CONTRACT MANAGER

7.2.1 The Contractor's Contract Manager shall be a full-time employee of the Contractor. The Contractor shall inform the County in writing of the name, address, and telephone number of the individual designated to act as the Contract Manager, identified in Exhibit F, Contractor's Administration, of this Contract, and provide a current copy of the person's resume at the time the Contract is executed and notify the County as changes occur.

7.2.2 The Contractor's Contract Manager must have a minimum of three years documented experience providing services similar to those requested in this Contract; be a full-time employee of the Contractor; and be able to fluently read, write, speak, and understand English.

7.2.3 The Contractor's Contract Manager shall have full authority to act for the Contractor on all matters relating to the daily operation of the Contract. The Contract Manager shall be available during normal work hours, 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday, for email and telephone contact and to meet with County personnel designated to discuss the operation of the Contract. During online auctions, the Contract Manager shall be available for internet, email, and telephone contact during all the hours

comprising the sale, starting 24 hours from the date and time the online auction is open to accept bids to 24 hours after its close. When the Contract work is performed at times other than described above, or when the Contract Manager cannot be present, an equally responsible individual shall be designated to act on behalf of the Contract Manager. The TTC shall have the right to approve the assignment or replacement of any Contract Manager or alternate recommended by the Contractor.

7.3 APPROVAL OF CONTRACTOR'S STAFF

The County has the absolute right to approve or disapprove any of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff including, but not limited to, the Contractor's Contract Manager.

7.4 CONTRACTOR'S STAFF IDENTIFICATION

If applicable, the Contractor shall provide, at the Contractor's expense, all staff providing services under this Contract with a photo identification badge.

7.5 BACKGROUND AND SECURITY INVESTIGATIONS

7.5.1 Each of the Contractor's staff who is performing services under this Contract and is in a designated sensitive position, as determined by the County in the County's sole discretion, shall undergo and pass a background investigation to the satisfaction of the County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice (DOJ) to include state, local, and federal-level review which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor regardless if the member of the Contractor's staff passes or fails the background investigation.

7.5.2 If a member of the Contractor's staff does not pass the background investigation, the County may request that the member of the Contractor's staff be immediately removed from performing services under the Contract at any time during the Term of the Contract. The County will request the Contractor to advise the Contractor's staff member who did

not pass the background investigation to contact the County immediately to receive a copy of the Criminal Offender Record Information obtained from the DOJ and through the County's background investigation.

7.5.3 The County, in its sole discretion, may immediately deny or terminate facility access to any member of the Contractor's staff that does not pass such investigation to the satisfaction of the County, or whose background, or conduct is incompatible with the County facility access.

7.5.4 Disqualification of any member of the Contractor's staff pursuant to this Subparagraph 7.5 shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.6 CONFIDENTIALITY

7.6.1 The Contractor shall maintain the confidentiality of all records and information in accordance with all applicable federal, state, and local laws, rules, regulations, ordinances, directives, guidelines, policies, and procedures relating to confidentiality, including, without limitation, the County policies concerning information technology security and the protection of confidential records and information.

7.6.2 The Contractor shall indemnify, defend, and hold harmless the County, its officers, employees, and agents from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or Subcontractors to comply with this Subparagraph 7.6 as determined by the County in its sole judgment. Any legal defense pursuant to the Contractor's indemnification obligations under this Subparagraph 7.6 shall be conducted by the Contractor and performed by the Counsel selected by the Contractor and approved by the County. Notwithstanding the preceding sentence, the County shall have the right to participate in any such defense at its sole cost and expense except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and

reimbursement from the Contractor for all costs and expenses incurred by the County in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of the County without the County's prior written approval.

- 7.6.3 The Contractor shall inform all of its officers, employees, agents, and Subcontractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.6.4 The Contractor shall sign and adhere to the provisions of the Contractor Acknowledgement and Confidentiality Agreement, Exhibit G1.
- 7.6.5 The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the provisions of the Contractor Employee Acknowledgment and Confidentiality Agreement, Exhibit G2.
- 7.6.6 The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of the Contractor Non-Employee Acknowledgment and Confidentiality Agreement, Exhibit G3.
- 7.6.7 During the Term of the Contract, the Contractor shall maintain an updated file of the signed forms and shall forward copies of all signed forms to the TTC Contract Administrator whenever changes in personnel occur.

8.0 STANDARD TERMS AND CONDITIONS

8.1 CHANGE NOTICES AND AMENDMENTS

- 8.1.1 The County reserves the right to initiate Change Notices that **do not affect** the Term or Commission Rate and do not materially alter the Contract. All such changes shall be accomplished with an executed Change Notice to this Contract signed by the Contractor and by the County's Contract Administrator.
- 8.1.2 For any change, which affects the payments and/or SOW that do not materially alter the Contract, an Amendment shall be prepared and executed by the Contractor and by the TTC provided County Counsel approval is obtained prior to execution of such Amendment(s).

- 8.1.3 For any change which affects the Term or Commission Rate under this Contract, an Amendment shall be prepared therefore, executed by the Contractor, and thereafter by the Board. Any such change shall be in writing and signed by the Contractor and the TTC.
- 8.1.4 The Board or the Chief Executive Office (CEO) or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the Board or the CEO. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by the Treasurer and Tax Collector or his/her designee.
- 8.1.5 The TTC, at its sole discretion, may authorize extensions of time as defined in Paragraph 4.0, Term of Contract. For the exercise of the TTC's renewal option, a written notice shall be prepared and signed by the Treasurer and Tax Collector and delivered to the Contractor prior to the expiration of the current Contract Term. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract shall be prepared and executed by the Contractor and by the Treasurer and Tax Collector.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this subparagraph, the County's consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract shall be deductible, at the County's sole discretion, against the claims, which the Contractor may have against the County.
- 8.2.2 Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However,

in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of the County in accordance with applicable provisions of this Contract.

- 8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.3 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 BUDGET REDUCTIONS

Intentionally Omitted

8.5 COMPLAINTS

The Contractor shall develop, maintain, and operate procedures for receiving, investigating, and responding to complaints.

- 8.5.1 Within 15 business days after the Contract effective date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating, and responding to user complaints.

- 8.5.2 The County will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.
- 8.5.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five business days for County's approval.
- 8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for approval before implementation.
- 8.5.5 The Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five business days of receiving the complaint.
- 8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.7 Copies of all written responses shall be sent to the County's Contract Manager within three business days of mailing to the complainant.

8.6 COMPLIANCE WITH APPLICABLE LAWS

- 8.6.1 In the performance of this Contract, the Contractor shall comply with all applicable federal, state, and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.
- 8.6.2 The Contractor shall indemnify, defend, and hold harmless the County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting, and other expert, consulting or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or Subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures as determined by the County in its sole judgment. Any legal defense pursuant to the Contractor's indemnification obligations under this Subparagraph 8.6 shall be conducted by the Contractor and

performed by the Counsel selected by the Contractor and approved by the County. Notwithstanding the preceding sentence, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the County in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of the County without the County's prior written approval.

8.7 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit D, Contractor's EEO Certification.

8.8 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

Intentionally Omitted

8.9 CONFLICT OF INTEREST

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the Term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be a material breach of this Contract.

**8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES
TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST**

Intentionally Omitted

**8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM
PARTICIPANTS**

Intentionally Omitted

8.12 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if

warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board finds, in its discretion, that the Contractor has done any of the following: (1) violated a Term of a Contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the TTC will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the TTC shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the

Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five years, that Contractor may after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

Intentionally Omitted

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract Terms and conditions and performance standards. The Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in

jeopardy if not corrected will be reported to the Board. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS

8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor, employees, or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than 30 days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, the County may make any necessary repairs. All costs incurred by the County, as determined by the County, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

8.17.1 The Contractor warrants that it fully complies with all federal and state statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in federal and state statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any federal or state statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 FACSIMILE REPRESENTATIONS

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Subparagraph 8.1, Change Notices and Amendments, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.19 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.20 FORCE MAJEURE

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's Subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Subcontractor of the Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both the Contractor and such Subcontractor, and without any fault or negligence of either of them. In such case, the Contractor shall not be liable for failure to perform, unless the goods or services to be

furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this subparagraph, the term "Subcontractor" and "Subcontractors" mean Subcontractors at any tier.

- 8.20.3 In the event the Contractor's failure to perform arises out of a force majeure event, the Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the state of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the state of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 INDEPENDENT CONTRACTOR STATUS

- 8.22.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, state, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for

furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions stated in Subparagraph 7.6, Confidentiality.

8.23 INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers ("County Indemnitees") from and against any and all liability including, but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8.24 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting the Contractor's indemnification of the County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, the Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Subparagraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types, and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon the Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 Evidence of Coverage and Notice to the County

- Certificate(s) of insurance coverage (Certificate) satisfactory to the County, and a copy of an Additional Insured endorsement confirming the County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to the County at the address shown below and provided prior to commencing services under this Contract.

- Renewal Certificates shall be provided to the County not less than ten days prior to the Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Subcontractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding \$50,000.00, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
 Treasurer and Tax Collector
 500 West Temple Street, Room 464
 Los Angeles, CA 90012
 Attention: Contracts Section

- The Contractor also shall promptly report to the County any injury, or property damage accident, or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies, or securities entrusted to the Contractor. The Contractor also shall promptly notify the County of any third party claim or suit filed against the Contractor or

any of its Subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against the Contractor and/or the County.

8.24.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively the County and its Agents) shall be provided additional insured status under the Contractor's General Liability policy with respect to liability arising out of the Contractor's ongoing and completed operations performed on behalf of the County. The County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

The Contractor shall provide the County with, or the Contractor's insurance policies shall contain a provision that the County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage, or policy period. The written notice shall be provided to the County at least ten days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

The Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which the County immediately may withhold

payments due to the Contractor, and/or suspend or terminate this Contract. The County, at its sole discretion, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to the Contractor, deduct the premium cost from sums due to the Contractor or pursue the Contractor reimbursement.

8.24.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by the County.

8.24.6 Contractor's Insurance Shall Be Primary

The Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to the Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Subcontractor Insurance Coverage Requirements

The Contractor shall include all Subcontractors as insureds under the Contractor's own policies, or shall provide the County with each Subcontractor's separate evidence of insurance coverage. The Contractor shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein, and shall require that each Subcontractor name the County and the Contractor as additional insureds on the Subcontractor's General Liability policy. The Contractor shall obtain the County's prior review and approval of any Subcontractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing the Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration, and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the state of California.

8.24.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. The Contractor understands and agrees it shall maintain such coverage for a period of not less than three years following Contract expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, the Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements, and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 **County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon the County's determination of changes in risk exposures.

8.25 **INSURANCE COVERAGE**

- 8.25.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- 8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of the Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

- 8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If the Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that the County will receive not less than 30 days advance written notice of cancellation of this coverage provision. If applicable to the Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Crime Coverage

A Fidelity Bond or Crime Insurance policy with limits of not less than \$1 million per occurrence. Such coverage shall protect against all loss of money, securities, or other valuable property entrusted by the County to the Contractor, and apply to all of Contractor's directors, officers, agents, and employees who regularly handle or have responsibility for such money, securities, or property. The County and its Agents shall be named as an Additional Insured and Loss Payee as its interests may appear. This insurance shall include third party fidelity coverage, include coverage for loss due to theft, mysterious disappearance, and computer fraud/theft, and shall not contain a requirement for an arrest and/or conviction.

8.25.5 Privacy/Network Security (Cyber) Liability coverage providing protection against liability for:

1. Privacy breaches (liability arising from the loss or disclosure of confidential information no matter how it occurs)
2. System breach with limits of \$1 million.

8.25.6 Professional Liability/Errors and Omissions

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, the Contractor understands and agrees it shall maintain such coverage for a period of not less than three years following this Agreement's expiration, termination, or cancellation.

8.26 LIQUIDATED DAMAGES

- 8.26.1 If in the judgment of the Treasurer and Tax Collector or his/her designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Treasurer and Tax Collector or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed, if applicable. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be

forwarded to the Contractor by the Treasurer and Tax Collector or his/her designee, in a written notice describing the reasons for said action.

8.26.2 If the Treasurer and Tax Collector or his/her designee, determines that there are deficiencies in the performance of this Contract that the Treasurer and Tax Collector or his/her designee, deems are correctable by the Contractor over a certain time span, the Treasurer and Tax Collector or his/her designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Treasurer and Tax Collector or his/her designee, may:

- (a) If applicable, deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or
- (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is \$100 per day per infraction, or as specified in the Performance Requirements Summary (PRS) Chart, as defined in Exhibit C, Technical Exhibit 2, hereunder, and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be invoiced to the Contractor or deducted from any due payment to the Contractor, if applicable, as determined by the County; and/or
- (c) Upon giving five days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies, and the total costs incurred by the County for completion of the work by an alternate source, whether it be the County forces or a separate private contractor, will be invoiced to the Contractor or deducted from any due payment to the Contractor, if applicable, as determined by the County.

8.26.3 The action noted in Subparagraph 8.26.2 shall not be construed as a penalty, but as adjustment of Commission to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Subparagraph 8.26 shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Subparagraph 8.26.2, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the Term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.28 NONDISCRIMINATION AND AFFIRMATIVE ACTION

8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation in compliance with all applicable federal and state anti-discrimination laws and regulations.

8.28.2 The Contractor shall certify to and comply with the provisions of Exhibit D, Contractor's EEO Certification.

8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation in compliance with all applicable federal and state anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

- 8.28.4 The Contractor certifies and agrees that it will deal with its Subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable federal and state laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.28.6 The Contractor shall allow the County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Subparagraph 8.28 when so requested by the County.
- 8.28.7 If the County finds that any provisions of this Subparagraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated federal or state anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.
- 8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of \$500 for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict the TTC from acquiring similar, equal, or like goods and/or services from other entities or sources.

8.30 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County's Contract Administrator and/or County's Contract Manager any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Contract Administrator or County's Contract Manager is not able to resolve the dispute, the Treasurer and Tax Collector or his/her designee shall resolve it.

8.32 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees and shall require each Subcontractor to notify its employees that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in the Internal Revenue Service Notice No. 1015, identified in Exhibit I, Federal Earned Income Credit, of this Contract.

8.33 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

Intentionally Omitted

8.34 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail,

postage prepaid, addressed to the parties as identified in Exhibits E, County's Administration, and F, Contractor's Administration. Addresses may be changed by either party giving ten days prior written notice thereof to the other party. The Treasurer and Tax Collector or his/her designee shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.35 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that during the Term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 PUBLIC RECORDS ACT

8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Subparagraph 8.38, Record Retention and Inspection/Audit Settlement, of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP), used in the solicitation process for this Contract, if applicable, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.36.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 PUBLICITY

8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the Term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Contract Administrator. The County shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of the County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Subparagraph 8.37 shall apply.

8.38 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information shall be kept and maintained by the Contractor and shall be made available to the County during the Term of this Contract and for a period of five years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles

County, provided that if any such material is located outside the Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any federal or state auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within 30 days of the Contractor's receipt thereof, unless otherwise provided by applicable federal or state law or under this Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this Subparagraph 8.38 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.38.3 If at any time during the Term of this Contract or within five years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and, if applicable, such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand, or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38.4 **Financial Statements:** Beginning one year after the Effective Date and every year thereafter until the expiration of this Contract, the Contractor shall submit to the County a complete set of financial statements, audited if available, for the 12-month period. Such statements shall, at a

minimum, include a Balance Sheet (Statement of Financial Position) and Income Statement (Statement of Operations). In addition, the Contractor shall submit a statement regarding any pending litigation since the Contractor last reported same to the County. The County reserves the right to request these audited financial statements on a more frequent basis and will so notify the Contractor in writing.

8.39 RECYCLED BOND PAPER

Intentionally Omitted

8.40 SUBCONTRACTING

8.40.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance written approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.40.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.40.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all

personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.

- 8.40.6 The County's Contract Administrator is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the County, the Contractor shall forward a fully executed subcontract to the County for their files.
- 8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.40.8 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. Before any Subcontractor employee may perform any work hereunder, the Contractor shall ensure delivery of all such documents to:

County of Los Angeles
Treasurer and Tax Collector
500 West Temple Street, Room 464
Los Angeles, CA 90012
Attention: Contracts Section

8.41 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH THE COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.14, Contractor's Warranty of Adherence to the County's Child Support Compliance Program, or if Contractor is located or has its principal place of business outside the state of California, compliance to the Child Support Program in the state where it is domiciled or has its principal place of business shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which the County may terminate this Contract pursuant to

Subparagraph 8.43, Termination for Default, and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.42 TERMINATION FOR CONVENIENCE

Intentionally Omitted

8.43 TERMINATION FOR DEFAULT

8.43.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract if in the judgment of the County's Contract Administrator:

- The Contractor has materially breached this Contract; or
- The Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- The Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.43.2 In the event that the County terminates this Contract in whole or in part as provided in Subparagraph 8.43.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this subparagraph.

8.43.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Subparagraph 8.43.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to; acts of God or of the public enemy, acts of the County in either its

sovereign or contractual capacity, acts of federal or state governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this subparagraph, the term "Subcontractor(s)" means Subcontractor(s) at any tier.

- 8.43.4 If after the County has given notice of termination under the provisions of this Subparagraph 8.43, it is determined by the County that the Contractor was not in default under the provisions of this Subparagraph 8.43, or that the default was excusable under the provisions of Subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subparagraph 8.42, Termination for Convenience.
- 8.43.5 The rights and remedies of the County provided in this Subparagraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 TERMINATION FOR IMPROPER CONSIDERATION

- 8.44.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of

default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.45 TERMINATION FOR INSOLVENCY

8.45.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least 60 days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the County provided in this Subparagraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor and each County Lobbyist or County Lobbying firm as defined in the County Code Section 2.160.010 retained by the Contractor shall fully comply with the County's Lobbyist Ordinance,

County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may, in its sole discretion, immediately terminate or suspend this Contract.

8.47 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the Board appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 USE OF THE COUNTY SEAL AND/OR TTC LOGOS

The County claims right, title, and interest in and to certain intellectual property including, but not limited, to the current and former County seals and TTC logos (hereafter collectively "County Seals"). Except as expressly authorized herein, the Contractor shall not reproduce, copy, distribute, republish, download, display, post, transmit, or make any other use of any kind whatsoever of the County Seals, in any format or by any means whatsoever. At no time shall the Contractor in any manner: (i) modify the County Seals, or (ii) create derivative works of the County Seals. The Contractor shall not in any manner sublicense, transfer or assign its rights, or delegate its duties, with respect to use of the County Seals, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted sublicense, transfer, assignment or delegation without such consent shall be null and void.

8.49 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.50 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Subparagraph 8.50 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.51 WARRANTY AGAINST CONTINGENT FEES

8.51.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.51.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

8.52 WARRANTY OF COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

The Contractor acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the Term of this Contract will maintain compliance with Los Angeles County Code Chapter 2.206.

8.53 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Subparagraph 8.52, Warranty of Compliance with the County's Defaulted Property Tax Reduction

Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ten days of notice shall be grounds upon which the County may terminate this Contract and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 COMPLIANCE WITH THE COUNTY'S LIVING WAGE PROGRAM

Intentionally Omitted

9.2 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

Intentionally Omitted

9.3 OWNERSHIP OF MATERIALS, SOFTWARE, AND COPYRIGHT

9.3.1 During the Term of this Contract and for five years thereafter, the Contractor shall maintain and provide security for all of the Contractor's working papers prepared under this Contract. The County shall have the right to inspect, copy, and use at any time during and subsequent to the Term of this Contract, any and all such working papers and all information contained therein.

9.3.2 Any and all materials, software, and tools which are developed or were originally acquired by the Contractor outside the scope of this Contract, which the Contractor desires to use hereunder, and which the Contractor considers to be proprietary or confidential, must be specifically identified by the Contractor to the County's Contract Manager as proprietary or confidential, and shall be plainly and prominently marked by the Contractor as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.

9.3.3 The County will use reasonable means to ensure that the Contractor's proprietary and/or confidential items are safeguarded and held in confidence. The County agrees not to reproduce, distribute or disclose to non-County entities any such proprietary and/or confidential items without the prior written consent of the Contractor.

- 9.3.4 Notwithstanding any other provision of this Contract, the County will not be obligated to the Contractor in any way under Subparagraph 9.3.4 for any of the Contractor's proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 9.3.3 or for any disclosure which the County is required to make under any state or federal law or order of court.
- 9.3.5 All the rights and obligations of this Subparagraph 9.3 shall survive the expiration or termination of this Contract.

9.4 PATENT, COPYRIGHT, AND TRADE SECRET INDEMNIFICATION

- 9.4.1 The Contractor shall indemnify, hold harmless, and defend the County from and against any and all liability, damages, costs, and expenses including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of the Contractor's work under this Contract. The County shall inform the Contractor as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support the Contractor's defense and settlement thereof.
- 9.4.2 In the event, any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that the County's continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, the Contractor, at its sole expense, and providing that the County's continued use of the system is not materially impeded, shall either:
- Procure for the County all rights to continued use of the questioned equipment, part, or software product; or
 - Replace the questioned equipment, part, or software product with a non-questioned item; or
 - Modify the questioned equipment, part, or software so that it is free of claims.

9.4.3 The Contractor shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by the Contractor, in a manner for which the questioned product was not designed nor intended.

9.5 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

Intentionally Omitted

9.6 TRANSITIONAL JOB OPPORTUNITIES PREFERENCE PROGRAM

Intentionally Omitted

9.7 DATA DESTRUCTION

The Contractor(s) and vendor(s) that have maintained, processed, or stored County data and/or information, implied or expressed have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*. Available at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88-Rev.%201>)

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten business days, a signed document from Contractor(s) and vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

The Contractor or vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices including, but not limited to, printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, *Guidelines for Media Sanitization*. The Contractor or vendor shall provide the County with a written certification within ten business days of removal of any electronic storage equipment and devices that validates that any and all

County data was destroyed and is unusable, unreadable, and/or undecipherable.

9.8 TIME OFF FOR VOTING

Intentionally Omitted

9.9 DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM

Intentionally Omitted

[illegible]

IN WITNESS WHEREOF, the Contractor has executed this Contract, or caused it to be duly executed and the County, by order of its Board has caused this Contract to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board thereof, the day and year first above-written.

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By [Signature]
Deputy

CONTRACTOR: Bid4Assets, Inc.

By Jesse Loomis
Name Jesse Loomis
CEO
Title



COUNTY OF LOS ANGELES

By [Signature]
Chairman, Board of Supervisors

ATTEST:

SACHI HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS

22 MAR 18 2014

APPROVED AS TO FORM:

John Krattli
County Counsel

By [Signature]
Sayuj Panicker
Deputy County Counsel

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A
STATEMENT OF WORK
ONLINE AUCTIONS OF
TAX DEFAULTED PROPERTY

TABLE OF CONTENTS

PARAGRAPH	TITLE	PAGE
1.0	SCOPE OF WORK.....	1
2.0	DEFINITIONS.....	1
3.0	SPECIFIC WORK REQUIREMENTS.....	4
3.1	AUCTIONS.....	5
3.2	AUCTION PROCESS	5
3.3	PROPERTY DATA FILE	6
3.4	PRE-QUALIFICATION/REGISTRATION OF BIDDERS.....	6
3.5	ONLINE AUCTION GUIDELINES/TERMS AND CONDITIONS	7
3.6	REJECTING BIDS	8
3.7	WITHDRAWING PROPERTIES FROM AUCTION	8
3.8	OFFLINE BIDDING OPTION AND PROCEDURES	8
3.9	CONFIRMATION OF SUCCESSFUL BID	8
3.10	REIMBURSEMENTS	9
3.11	PAYMENTS.....	9
3.12	FEES	10
3.13	SALE INFORMATION DATA FILE.....	10
3.14	SECURITY/DATA EXCHANGE	10
3.15	UNSOLD TAX DEFAULTED PROPERTY	12
3.16	REPORTS	12
4.0	INTENTIONALLY OMITTED.....	12
5.0	RESPONSIBILITIES	13
5.1	ADMINISTRATION OF CONTRACT - COUNTY	13
5.2	ADMINISTRATION OF CONTRACT - CONTRACTOR.....	14
5.3	CONFIDENTIALITY	17
6.0	QUALITY CONTROL	17

TABLE OF CONTENTS

PARAGRAPH	TITLE	PAGE
6.1	QUALITY CONTROL PLAN	17
6.2	QUALITY ASSURANCE PLAN	18
7.0	COUNTY HOLIDAY OBSERVATIONS.....	20
8.0	GREEN INITIATIVES	20
9.0	PERFORMANCE REQUIREMENTS SUMMARY	21

1.0 SCOPE OF WORK

INTRODUCTION

The County of Los Angeles (County) Treasurer and Tax Collector (TTC) is responsible for collecting current and delinquent taxes for real property and conducting the sale of properties deemed Tax Defaulted Properties subject to the Power of Sale, pursuant to Division 1, Part 6, Chapter 7 of the California Revenue and Taxation Code.

The Contractor shall provide auction website services for the TTC to advertise for online auction(s) of Tax Defaulted Properties. Auction website services will include organizing, posting, hosting, and servicing advertised Tax Defaulted Properties and due diligence information for approximately 2,000 or more properties. These properties will be auctioned on the website at the direction of the TTC. The TTC may conduct at least one and up to two Internet auctions of Tax Defaulted Properties each Fiscal Year. Each auction may have a duration of two to five days. Notwithstanding anything to the contrary in this Agreement, nothing stated herein shall obligate the County to offer properties for auction through the Contractor nor shall the County be precluded from utilizing the same or similar services of other Contractors for the same purpose.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words/phrases as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

- 2.1 **Auction Website:** www.bid4assets.com/losangeles
- 2.2 **Bid:** A dollar amount offered by a bidder to establish a potential final purchase amount for a specific parcel offered at auction.
- 2.3 **Bidder:** A registered user individual either making the bid on his or her own behalf or authorized to bid on behalf of a registered user.
- 2.4 **“Buyer Beware” Sale:** A sale where the item offered for sale is sold on an “as is” basis. “As is” is defined as, but not limited to, the general condition of the property at the time of sale along with any liabilities and assets that may be attached to the property.
- 2.5 **Close of Auction/Close of Sale:** The date and time at which no further bids are accepted for any of the parcels offered for sale.

- 2.6 **Contract:** Agreement executed between the County and the Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work (SOW), Exhibit A.
- 2.7 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a Contract with the County to perform or execute the work covered by the SOW.
- 2.8 **Contractor's Contract Administrator:** The individual designated by the Contractor as principal officer to oversee contractual or administrative matters relating to the Contract that cannot be resolved by the Contractor's Contract Manager.
- 2.9 **Contractor's Contract Manager:** The individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.10 **County:** The County of Los Angeles
- 2.11 **County's Contract Administrator:** A person designated by the County with authority for the County on contractual or administrative matters relating to the Contract that cannot be resolved by the County's Contract Manager.
- 2.12 **County's Contract Manager:** A person designated by the County's Contract Administrator to manage the operations under the Contract.
- 2.13 **County's Contract Monitor:** A person with responsibility to oversee the day-to-day activities of the Contract. This person has the responsibility for inspections of any and all tasks, deliverables, goods, services, and other work provided by the Contractor.
- 2.14 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.15 **Deposit:** A dollar amount paid prior to the date of the auction by any prospective bidder wishing to participate in purchasing property offered at the tax sale.
- 2.16 **Deferred-Payment Transaction:** A payment option afforded to bidders at the Tax Collector's discretion whereby a bidder may make a partial payment (down payment) of no less than \$5,000 or 10%, whichever is greater, of a purchase price that exceeds \$5,000.
- 2.17 **Improvement District Bond Foreclosure:** Foreclosure of a property on which the assessee failed to pay the assessment on a bond issued for an improvement, e.g., streets, curb, lighting, etc.

- 2.18 **Offline Bidding:** A method of bidding that does not require a bidder to use a computer or other Internet portal mechanism, but affords the functionalities sufficient to compete on equal footing with other bidders using a computer or Internet portal mechanism for the duration of the bidding activity of any particular property.
- 2.19 **Performance Requirements Summary (PRS):** Identifies the key performance indicators of the Contract that will be evaluated by the County to assure the Contractor meets Contract performance standards, as specified in the SOW, Paragraph 8.0, PRS.
- 2.20 **Potential Bidder:** Any individual with an interest in purchasing property at the auction or who represents an entity with an interest in purchasing property offered at the auction and conforms to the participation rules and requirements.
- 2.21 **Pretty Good Privacy (PGP) Encryption:** A computer program used for encrypting and decrypting texts, emails, files, directories, and whole disk partitions to increase the security of email communications over the Internet. It can also be used to send an encrypted digital signature that lets the receiver verify the sender's identity and know that the message was not changed en route.
- 2.22 **Property List:** A listing of parcels and any corresponding information, as deemed by the TTC, to be included in the auction.
- 2.23 **Quality Control Program:** All necessary measures taken by the Contractor to ensure that the quality of service will meet the Contract requirements regarding timelines, security, accuracy, appearance, completeness, consistency, and conformity to the requirements set forth in this SOW, Exhibit A.
- 2.24 **Registered User:** An individual who has set up an account with the Contractor, either online or offline, which includes a user name Identification (ID) and a password.
- 2.25 **Secure Shell File Transfer Protocol (SFTP):** A network protocol that provides file access, file transfer, and file management functionalities over any reliable data stream.
- 2.26 **Secure Online Environment:** A system using the Internet for interactive purposes whereby the users of that system may initiate transactions pertinent to the online auction without compromise of privacy, data loss, and security.

- 2.27 **Secure Server:** A server on the Web supporting a security protocol (typically Secure Socket Layer [SSL]) that encrypts and decrypts sensitive data for the user's protection, making it extremely difficult for a third party to decipher the data.
- 2.28 **Secure Shell (SSH):** A cryptographic network protocol for secure data communication and other secure network services between two networked computers that connects via a secure channel over an insecure network.
- 2.29 **SSL:** SSL is used to validate the identity of a web site and to create an encrypted connection for sending credit card and other personal data.
- 2.30 **Tax Deed/Tax Deed to the Purchaser:** The instrument (deed) issued to the purchaser by the Treasurer and Tax Collector for parcels sold at auction.
- 2.31 **Tax Defaulted Property Subject to the Power of Sale:** Property that has been on the delinquent tax roll for three years or more for non-residential commercial property and vacant land and five years or more for residential and agricultural property, that is by law subject to the Power of Sale, as described in Section 3691 of the California Revenue and Taxation Code.
- 2.32 **Traditional Marketing:** Advertising via print media including newspaper, magazine, and trade/corporate publications directly or peripherally related to the selling of real estate or other auction-type materials.
- 2.33 **Treasurer and Tax Collector:** As used herein, the term "Treasurer and Tax Collector" shall mean the Director of the County's Department of the TTC.
- 2.34 **Web-based Marketing:** Advertising via the Internet including email broadcasts to a subscriber base, government and private sector portals, and banner advertising on relevant and prominent websites.

3.0 SPECIFIC WORK REQUIREMENTS

The Contractor shall provide all personnel, materials, facilities, equipment, supervision, and other items or services necessary to provide online auction services of Tax Defaulted Property for all types of properties. The County has the sole discretion to add and/or delete work requirements, which are deemed in the best interest of the County.

3.1 AUCTIONS

The TTC may conduct at least one and up to two Internet auctions of Tax Defaulted Properties each Fiscal Year. The total number of properties that are required to be sold online will vary per each auction. The TTC does not guarantee any specific amount of work to the Contractor. Online auction services of Tax Defaulted Property shall be required for the following types/categories of properties, but are not limited to:

1. Tax Defaulted Property subject to the Power of Sale;
2. Property on which the County has a lien; and
3. Property subject to Improvement District Bond foreclosure proceedings.

3.2 AUCTION PROCESS

3.2.1 Advertising/Marketing

The Contractor shall develop and maintain an auction website sufficient to accommodate all necessary aspects of auction advertising acceptable to the TTC including, but not limited to, advertising of sale results, development of web-based, and traditional marketing efforts.

The Contractor shall utilize strategic public relations to obtain placements in the following media:

- Advertising via the Internet including email broadcasts to a subscriber base, government and private sector portals, and bannerings on relevant and prominent websites.

For the duration of the online auction, advertising on the website will be available to the public 24 hours per day, seven days per week.

3.2.2 Auction Parameters

The Contractor shall, at the direction of the TTC, establish parameters for online auctions (in terms of time, minimum price, reserve price, and settlement terms), disseminate due diligence information online to potential bidders, and support the sale of Tax Defaulted Properties. The Contractor shall structure the online auction so that bidders may arrange for bids to increase incrementally to a specified maximum automatically.

3.2.3 Electronic Communication

The Contractor shall send emails to registered users and bidders upon the occurrence of any of the following events:

1. Auction information posted online;
2. Auction commencement;
3. When a bid has been received; and
4. When a bidder has been outbid.

3.2.4 User name ID/Password

The Contractor shall assign a user name ID and password to registered and pre-qualified bidders. The Contractor shall provide a list of all bidders registered to participate in the auction at the request of the TTC at any time prior and up to the deadline to register as a bidder for the auction. The TTC reserves the right to disqualify any bidder for any reason at any time, including while the auction is open for bids.

3.3 PROPERTY DATA FILE

The format for a Property Data File provided by the TTC is currently in an electronic format. In the event that the specifications for the Property Data File change, the Contractor shall be notified in advance. Initial Property Data File elements and any subsequent additions, deletions, or modifications shall be transferred electronically under the requirements listed in Subparagraph 3.14, Security/Data Exchange, of this SOW.

3.4 PRE-QUALIFICATION/REGISTRATION OF BIDDERS

3.4.1 Bidder Acknowledgement

The Contractor must structure the auction website so as to inform potential bidders of certain relevant information concerning California property tax sales and to require potential bidders to acknowledge the receipt of this information as a precondition to bidding on properties. The acknowledgement shall be in a format whereby the potential bidder must electronically initial, by either a check box or text box during the registration process and must include any Terms and Conditions, Registration, and Bid Submission sections. The acknowledgments shall be structured in a manner that does not allow the potential bidder to progress forward through the registration until each check box or text box is completed.

3.4.2 Registration

The Contractor must structure the auction website so that potential buyers register with the Contractor. The auction website also must be structured to accept pre-sale deposits from potential bidders. The pre-sale deposit feature shall be programmed to reject any deposits that are submitted less than five business days prior to the date of the tax sale, require that the deposit must be the full amount required and prevent any registered users failing to meet the deposit requirement from bidding on any Tax Defaulted Property.

3.4.3 Trust Account/Deposit

The Contractor must provide a Trust Account system with an electronic and offline portal to accept bidder deposits. The Trust Account system must also have the ability to hold, apply, disburse, and/or refund as applicable to the results of the sale of a given parcel, the deposit made by a bidder. The Trust account system shall be structured and maintained by the Contractor in a manner to ensure that bidder deposits are segregated from any other funds of the Contractor or any of its subsidiaries.

3.4.3.1 Deposit Refunds

Deposits must be fully refundable to the bidders who do not purchase any properties. The Contractor must proceed with distribution of any refunds in full, and in a manner pre-determined by the TTC and the Contractor.

Any bidder failing to comply with the above requirements must not have access to bid at the tax sale.

3.5 ONLINE AUCTION GUIDELINES/TERMS AND CONDITIONS

The Contractor must include an online auction guideline section on the website that sets forth the TTC's terms and conditions and specifies, but is not limited to, the following information:

3.5.1 Guidelines:

1. A "buyer beware" statement;
2. An auction start and end time and date;
3. An "all sales are as is, and final" statement;
4. Minimum age requirements for bidding;
5. A statement for bids starting at a minimum price;

6. Functionality to record acknowledgement and understanding of auction rules and advisements;
7. Withdrawal of the parcel statement; and
8. Deposit for bidding eligibility.

3.5.2 Terms and Conditions:

Refer to the Contract, Paragraph 8.0, Standard Terms and Conditions.

3.5.3 Privacy Policy

The Contractor's website must disclose its Privacy Policy to users of the website. The Privacy Policy shall state the following: (1) how users' information is collected, used, and shared by the Contractor; (2) what access and control users have for information submitted on the website; (3) what security precautions are used by the Contractor to protect users' information; and (4) that Contractor shall ensure that user information is protected from breach, unauthorized access, and/or unlawful disclosure to third parties.

3.6 REJECTING BIDS

The Contractor must structure the auction website in a manner that permits the TTC to reject a bid for a Tax Defaulted Property or properties for any reason whatsoever.

3.7 WITHDRAWING PROPERTIES FROM AUCTION

The Contractor must structure the auction website in a manner that permits the TTC to withdraw single or multiple properties that are offered as a single block prior to and during auction.

3.8 OFFLINE BIDDING OPTION AND PROCEDURES

The Contractor must structure the auction in a manner that enables potential bidders without Internet access to register, submit a deposit, and bid on Tax Defaulted Properties via fax and/or letter and shall provide detailed instructions for the offline bidding option to each registered user.

3.9 CONFIRMATION OF SUCCESSFUL BID

The Contractor must notify the successful bidder by email or other means within one hour after the auction on each day. The Contractor may advertise the results of each Tax Defaulted Property auction with the pre-approval, as to form and content, of the TTC.

3.10 REIMBURSEMENTS

The Contractor, after consulting with the TTC, will refund any unused portion of the bidder's deposit within ten business days of the close of auction. The manner of refund may include any of the following:

- Credit back to originated credit card;
- Online check Automated Clearing House (ACH) to originating bank account; and
- Paper check via first class mail to registered bidder as specified on bidder profile.

3.11 PAYMENTS

The Contractor's payment and settlement system must have at least one of the following capabilities:

3.11.1 A mechanism to process a winning bidder's full payment, which includes his or her deposit, such that the corresponding proceeds are transferred to the TTC, in a manner specified by the TTC, within ten business days or a timeframe approved by the TTC after close of auction

3.11.2 A mechanism to process a winning bidder's deferred-payment transaction, which includes applying his or her deposit to the payment balance, plus the following functionalities:

3.11.2.1 A means to ensure that the bidder has sufficient funds to immediately cover a down payment of \$5,000 or 10% of the winning bid amount, whichever is greater, before closing the sale of the parcel.

3.11.2.2 A means to ensure that if the current bid amount for a parcel or combination of parcels, exceeds the bidder's deposit amount to sufficiently cover the greater of either \$5,000 or 10% of the total amount due for the single or combination of parcels, the bidder may no longer submit bids.

3.11.2.3 For any balance that is due, a means to accept a final payment up to 30 calendar days from the date of the close of auction.

3.11.3 For any bid that is not consummated according to the requirements listed in Subparagraphs 3.11.1 and 3.11.2, a mechanism to secure

the bidder's deposit as a forfeiture, as well as barring the bidder from further bidding.

3.12 FEES

The Contractor will collect a fee only from each parcel that is sold. The fee will be subtracted from the winning bid amount prior to sending the proceeds balance to the TTC. The fee amount will be in accordance with Exhibit B, Commission Rates, of the Contract.

3.13 SALE INFORMATION DATA FILE

Within five days of the payment settlement date, or at a later time acceptable to the TTC, the Contractor must provide a data file in a format acceptable to the TTC that includes all the following information:

1. Assessor's Identification Number (AIN)*
2. Auction ID Number
3. Winning Bid Amount
4. Total Due (including transfer tax and other auction-related fees)
5. Document Transfer Tax**
6. City Transfer Tax**
7. Survey Fee*
8. Assessee at the Time of Auction*
9. Item Number *
10. Owner Last Name or Entity Name
11. Title
12. Street Address
13. City, State, and Zip Code
14. Phone Number
15. Email

* Information provided by the TTC in the Section 3.3 data file.

**Calculation provided by the TTC in the Section 3.3 data file.

3.14 SECURITY/DATA EXCHANGE

3.14.1 The Contractor must provide a secure online environment to protect the confidentiality, integrity, and availability of the data exchanged. The Contractor must host the TTC auction website on a secure web server including its web application that incorporates security, privacy safeguards, and protections. These measures include the continuous performance of vulnerability assessments, but are not limited to, the application, server, and the network(s). Other implemented measures requires maintaining currency with software

patches of its operating system, associated software running on the web server, and maintenance for related network devices.

- 3.14.2 The Contractor must maintain compliance annually with the Payment Card Industry Data Security Standard (PCI-DSS), at the minimum, and any other applicable Payment Card Industry Security Standards Council (e.g., Payment Application - Data Security Standard or PA-DSS) for the acceptance and transmission of secure electronic payments. Contractor must annually provide written verification to the County TTC of Contractor's PCI-DSS compliance and any additional PCI standards compliance within ten business days of certification or recertification.
- 3.14.3 The TTC auction website must be accessed using the SSL protocol to encrypt data transmitted between the Contractor's website and the bidder's web browser. Data must be sent and accepted in a format acceptable to the TTC. The TTC auction website must provide a complete audit trail (e.g., timestamp, log retention, type of transactions) of all transactions with security safeguards and protections approved by the TTC. The Contractor cannot deviate from any requirements without prior written approval of the TTC.
- 3.14.4 The Contractor must exchange all data with the TTC electronically and securely unless otherwise directed by the TTC. All data exchanges must take place in a secure manner using SFTP with data encryption with minimum cipher strength of 256-bit.
- 3.14.5 The Contractor must encrypt electronic files using PGP encryption. Use of open source PGP software is prohibited.
- 3.14.6 When email is exchanged between the Contractor and the County, the content shall be kept at the absolute minimum to conduct business. Confidential/sensitive information (e.g., social security number) shall not be sent via email. The County will provide an email address as a destination for materials being exchanged through email.
- 3.14.7 The Contractor must provide a cyber-incident response plan that appropriately coordinates with the TTC prior to the occurrence of an actual/potential cyber security incident (e.g., web page defacement, compromise of County data, denial-of-service attack). This plan must maintain currency that includes a notification tree contact list of Contractor and TTC personnel.
- 3.14.8 The Contractor must provide an overview of its annual cyber information security risk assessment to the TTC, as it pertains to

the online operating environment of this system/application. The actual report detailing identified risks is not being requested from either a self-assessment or third-party perspective; however, what is requested is a general overview of those identified risks (i.e., high, medium, and low), and actions taken to remediate the vulnerabilities pertaining to the system/application.

3.15 UNSOLD TAX DEFAULTED PROPERTY

The Contractor must structure the auction website to sufficiently provide information and mechanisms for a follow-up tax sale option within 90 days for all parcels remaining unsold from the initial sale. This would include, but is not limited to, a noticing and marketing structure similar to the earlier sale, a process to address all statutes relevant to the re-offer of unsold parcels at a tax sale, a means to adjust the purchase price of the unsold parcels, and bidder registration.

3.16 REPORTS

The Contractor shall supply comprehensive reporting of the auction. All reports are to be available in file formats set forth by the TTC including, but not limited to, the following:

3.16.1 Tax Sale Status Reports (as applicable, prior to or during the auction.):

1. List of registered users;
2. Current bid activity for each parcel; and
3. Daily statistics of parcels sold, unsold, or forfeited.

3.16.2 Post-Tax Sale Status Reports (Within five days after the final settlement date.):

1. Sale statistics, including number of bidders, number of parcels offered/sold, and total revenue;
2. Bidder reports, including completed/outstanding payment status of each parcel, and associated winning bidder; and
3. Vesting details of each winning bidder, including name and address, associated AIN, and purchase amount.

4.0 INTENTIONALLY OMITTED

5.0 RESPONSIBILITIES

5.1 ADMINISTRATION OF CONTRACT - COUNTY

County Administration

A listing of all County Administration referenced in the following Subparagraphs is designated in Exhibit E, County's Administration, of the Contract. The County shall notify the Contractor in writing of any change in the names or addresses shown.

County Personnel

The TTC shall assign a Contract Administrator and a Contract Manager to provide overall management and coordination of the Contract and act as liaisons for the TTC. The County Contract Administrator shall provide information to the Contractor in areas relating to policy and procedural requirements and the County Contract Manager will monitor the Contractor's performance during the term of the Contract. The TTC shall inform the Contractor in writing of the name, address, and telephone number of the individuals designated to act as Contract Administrator and Contract Manager, or any alternate identified in Exhibit E, County's Administration, of the Contract at the time the Contract is executed and notify the Contractor as changes occur.

5.1.1 County's Contract Administrator

5.1.1.1 The County Contract Administrator is designated in Exhibit E, County's Administration, of the Contract. The TTC shall contact the Contractor in writing of any change in the name or address of the Contract Administrator.

5.1.1.2 The County Contract Administrator shall be responsible for ensuring that the objectives of the Contract are met and determining Contractor's compliance with the Contract and inspecting all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

5.1.1.3 The County Contract Administrator is responsible for providing overall direction to the Contractor in the areas relating to the County policy, information requirements, and procedural requirements.

5.1.1.4 The County Contract Administrator is not authorized to make any changes in any of the terms and conditions of the Contract except as permitted in accordance with Subparagraph 8.1, Change Notices and Amendments, of the

Contract and is not authorized to further obligate the County in any respect whatsoever.

5.1.2 County's Contract Manager

The responsibilities of the County's Contract Manager include:

1. Request meetings as needed with the Contractor's Contract Manager and/or Alternate Contract Manager; and
2. Inspect any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Contract Manager is not authorized to make any changes in any of the terms and conditions of the Contract and is not authorized to further obligate the County in any respect whatsoever.

5.1.3 County's Contract Monitor

The County's Contract Monitor is responsible for overseeing the day-to-day administration of the Contract. The County's Contract Monitor reports to the County's Contract Manager.

5.2 ADMINISTRATION OF CONTRACT - CONTRACTOR

Contractor Personnel

The Contractor shall assign a sufficient number of employees to perform the required work. At least one employee on site shall be authorized to act for the Contractor in every detail and must speak and understand English.

The Contractor shall be required to conduct background checks on its employees as set forth in Subparagraph 7.5, Background and Security Investigations, of the Contract.

5.2.1 Contractor's Contract Administrator

- 5.2.1.1 The Contractor's Contract Administrator shall be a full-time employee of the Contractor. The Contractor's Contract Administrator shall be the principal officer in the Contractor's office to service the Contract and to act as a liaison for the Contractor in coordinating the performance under the Contract. The County must be provided in writing with the name, address, and telephone number of

the individual designated to act as Contract Administrator, or any alternate identified in Exhibit F, Contractor's Administration, of the Contract and provide a current copy of the person's resume at the time the Contract is executed and notify the County as changes occur.

5.2.1.2 The Contractor's Contract Administrator shall be responsible for the Contractor's performance of all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor and ensuring the Contractor's compliance with the Contract.

5.2.1.3 The Contractor's Contract Administrator shall be available to meet and confer with the County's Contract Administrator on an as needed basis, either in person or by telephone as mutually agreed by the parties, to review Contract performance and discuss Contract coordination. Such meetings shall be conducted at a time and place as mutually agreed by the parties.

5.2.2 Contractor's Contract Manager

5.2.2.1 The Contractor's Contract Manager/Alternate shall be a full-time employee of the Contractor. The Contractor shall inform the County in writing of the name, address, and telephone number of the individual designated to act as Contract Manager/Alternate identified in Exhibit F, Contractor's Administration, of the Contract and provide a current copy of the person's resume at the time the Contract is executed and notify the County as changes occur.

5.2.2.2 The Contractor's Contract Manager/Alternate must have a minimum of three years documented experience providing services similar to those requested in the Contract; be a full-time employee of the Contractor; and be able to fluently read, write, speak, and understand English.

5.2.2.3 The Contractor's Contract Manager/Alternate shall have full authority to act for the Contractor on all matters relating to the daily operation of the Contract. The Contract Manager/Alternate shall be available during normal work hours, 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday, for email and telephone contact and to meet with County personnel designated to discuss the operation of the Contract. During online auctions, the Contract

Manager/Alternate shall be available for Web, email, and/or telephone contact during all the hours comprising the sale, starting 24 hours from the date and time the online auction is open to accept bids to 24 hours after its close. When Contract work is performed at times other than described above, or when the Contract Manager cannot be present, an equally responsible individual shall be designated to act on behalf of the Contract Manager. The TTC shall have the right to approve the assignment or replacement of any Contract Manager/Alternate recommended by the Contractor.

5.2.3 Approval of Contractor's Staff

The County has the absolute right to approve or disapprove any of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff including, but not limited to, the Contractor's Contract Manager.

5.2.4 Contractor's Staff Benefits and Wages

The Contractor will be solely responsible for providing to its employees all legally required employee benefits and the County shall not be called upon to assume any liability for the direct payment of any salaries, wages, or other compensation to any Contractor employee.

5.2.5 Contractor's Office

5.2.5.1 The Contractor shall maintain an office with a telephone in the company's name where the Contractor conducts business. The office shall be staffed during the hours of 5:00 a.m. to 4:00 p.m. Pacific Time, Monday through Thursday and 5:00 a.m. to 2:00 p.m. on Friday, by at least one employee who can respond to inquiries and complaints, which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. The Contractor shall answer calls received by the answering service within one business day of receipt of the call.

5.2.5.2 The Contractor shall provide staff or comparable support services accessible by email, telephone, and Web communications sufficient to assist any registered bidder or County staff in a timely manner prior the bidding opportunity closing on any block of parcels.

5.3 CONFIDENTIALITY

- 5.3.1 The Contractor shall sign and adhere to the provisions of the Contractor Acknowledgement and Confidentiality Agreement (Exhibit G1).
- 5.3.2 The Contractor shall cause each employee performing services covered by the Contract to sign and adhere to the provisions of the Contractor Employee Acknowledgement and Confidentiality Agreement (Exhibit G2).
- 5.3.3 The Contractor shall cause each non-employee performing services covered by the Contract to sign and adhere to the provisions of the Contractor Non-Employee Acknowledgement and Confidentiality Agreement (Exhibit G3).

6.0 QUALITY CONTROL

6.1 QUALITY CONTROL PLAN

The Contractor shall establish and utilize a comprehensive Quality Control Plan (Plan) to assure the County a consistently high level of service throughout the Term of the Contract. The Plan shall be submitted to the County Contract Monitor for review upon execution of the Contract. The Plan shall include, but may not be limited to, the following:

- 6.1.1 The Plan shall include method(s) of monitoring to ensure that the Contract requirements are being met and covers all the items listed in the PRS Chart, Exhibit C, Technical Exhibit 2, of the Contract. The Plan must specify the activities to be monitored by the Contractor on either a scheduled or unscheduled basis, how often the monitoring will be accomplished, and the title of the individual(s) who will perform the monitoring.
- 6.1.2 The Plan shall include method(s) used by the Contractor for identifying and preventing deficiencies in the quality of service before the level of performance becomes unacceptable and not in compliance with the Contract including, but not limited to:
 - 1. Keystroke records of all bidder activity related to interface with the online tax sale system;
 - 2. Backup of the accounting system to track, capture, and verify all monetary activities including, but not limited to, deposits, applied monies to winning bids, and refunds;

3. A secure online registration system that is user-friendly;
4. Registration and bidding instructions in multiple languages as requested by the County;
5. Helpdesk hours in compliance with the Contract requirements (Subparagraph 5.2.6, Contractor's Office, of this SOW);
6. Sufficient investment of resources and strategies to prevent server crashes or slowing of the system for the duration of the sale, including the periods before and after the sale. Server crash prevention plans shall incorporate historical data to support the specific strategies and resources contemplated; and
7. Deposit records of each bidder providing reports to the County on the properties sold and the monies collected.

6.1.3 The Plan shall include method(s) for assuring that confidentiality of information is maintained while in the care of the Contractor.

6.1.4 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action shall be provided to the County upon request.

6.2 QUALITY ASSURANCE PLAN

The County shall evaluate the Contractor's performance under the Contract using the quality assurance procedures as defined in the Contract, Subparagraph 8.15, County's Quality Assurance Plan.

6.2.1 Meetings

The Contractor shall meet with the County Contract Manager/Alternate County Contract Manager at reasonable times, as determined by the County Contract Manager/Alternate County Contract Manager in accordance with Subparagraph 5.2, Administration of Contract - Contractor, of this SOW.

6.2.2 Contract Discrepancy Report (Technical Exhibit 1)

Verbal notification of a Contract discrepancy must be made to the County Contract Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time

period mutually agreed upon by the County and the Contractor, however, not more than ten business days.

The County Contract Monitor must determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor must respond in writing to the County Contract Manager/Alternate County Contract Manager within five business days acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Manager/Alternate County Contract Manager within ten business days.

6.2.3 County Quality Monitoring

On an ongoing basis, the Contractor performance will be compared to the Contract standards as set forth in Paragraph 10.0, PRS, of this SOW. The County may use a variety of inspection methods to evaluate the Contractor's performance. These methods may include, but are not limited to:

1. Effectiveness of advertising;
2. Conduct of auctions;
3. User complaints;
4. Management Information System reported results;
5. 100% inspection of completeness of reports on a periodic basis; and
6. Adherence to County policies, procedures, rules, and regulations as outlined in the Contract.

6.2.4 Complaints

6.2.4.1 In the event the Contractor receives any verbal or written complaints regarding the contracted services, the Contractor shall immediately notify the County Contract Administrator. Such notification shall be by telephone and followed in writing within three business days. The Contractor shall provide the County Contract Administrator with a copy of any written complaint within three business days of receipt of the written complaint. The County Contract Administrator shall immediately notify the Contractor of any verbal or written complaints about the Contractor by telephone and follow up in writing within three business days, and shall provide the Contractor with copies of any written complaints received by the County within three business days of receipt.

6.2.4.2 The Contractor shall maintain a master complaint log of all complaints received. The Contractor shall promptly investigate all complaints received and provide a written report to the County Contract Administrator regarding the disposition of each verbal and written complaint within five business days of written notification of such complaint. Minimum elements of the written report shall include a statement of the complaint, identification by name of the Contractor employee(s) involved, results of the Contractor's investigation of the complaint, and a statement regarding the corrective action taken to avoid a recurrence of such a complaint.

6.2.4.3 The County retains the right to terminate the Contract in accordance with Subparagraph 8.43, Termination for Default, of the Contract, if the Contractor does not take any action with regards to said complaint(s).

7.0 COUNTY HOLIDAY OBSERVATIONS

The Contractor is not required to work on the following County recognized holidays:

1. New Year's Day
2. Martin Luther King, Jr.'s Birthday
3. Presidents' Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Columbus Day
8. Veterans' Day
9. Thanksgiving Day
10. Friday after Thanksgiving Day
11. Christmas Day

8.0 GREEN INITIATIVES

- 8.1 The Contractor shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.
- 8.2 The Contractor shall notify the County's Project Manager of the Contractor's new green initiatives prior to the Contract's commencement.

9.0 PERFORMANCE REQUIREMENTS SUMMARY

- 9.1 A PRS Chart, Exhibit C, Technical Exhibit 2, listing required services that will be monitored by the County during the Term of the Contract, is an important tool for the County. The purpose of the PRS is to:
 - 9.1.1 List the required services which will be monitored by the TTC during the Term of the Contract (Column 1).
 - 9.1.2 Identify the performance standards for satisfactory performance (Column 2).
 - 9.1.3 Explain the quality monitoring method the TTC will use to evaluate the Contractor's performance in meeting Contract requirements (Column 3).
 - 9.1.4 Indicate the liquidated damages to be assessed for non-compliance with the Contract and/or this SOW (Column 4).
- 9.2 The services listed in the PRS Chart are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of the Contractor beyond that defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract, the SOW and the PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in the PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on the Contractor.
- 9.3 When the Contractor's performance does not conform to the requirements of the Contract, the County will have the option to apply any or all of the following non-performance remedies:
 - 9.3.1 Require the Contractor to implement a formal corrective action plan, subject to approval by the County. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and the monitoring methods to prevent recurrence.
 - 9.3.2 Assess fees for non-compliance with the Contract.
 - 9.3.3 Reduce, suspend, or cancel the Contract for systemic, deliberate misrepresentations or unacceptable levels of performance, in accordance with the Contract, Subparagraph 8.43, Termination for Default.

EXHIBIT B

COMMISSION RATES

COMMISSION RATES

ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY

SERVICE	Rate
1. Online Auction of Tax Defaulted Property	<ul style="list-style-type: none"> • \$150.00 per sold parcel charged to the winning bidder. <p>There will be no charge for any unsold parcels or parcels pulled from the auction.</p>
2. Consultant fee	No Cost to the County
3. Pre-auction advertising and use of the contractor's website	No Cost to the County
4. Setup fee	No Cost to the County
5. Addition, deletion or modification of asset data following initial upload of information	No Cost to the County
6. Funds transmittal fee - from Bid4Assets to the County	No Cost to the County
7. Reports (Including special reports)	No Cost to the County
8. Storefront bid deposit service fee (Optional)	<ul style="list-style-type: none"> • \$35.00 per deposit paid by the winning bidder. • \$35.00 per parcel paid by the winning bidder. <p>There will be no charge for any unsold parcels or parcels pulled from the auction.</p>

EXHIBIT C

TECHNICAL EXHIBITS

**EXHIBIT C
TECHNICAL EXHIBITS**

TABLE OF CONTENTS

<u>Exhibits</u>	<u>Page</u>
1 CONTRACT DISCREPANCY REPORT	1
2 PERFORMANCE REQUIREMENTS SUMMARY CHART	2

TECHNICAL EXHIBIT 1
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of County Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

TECHNICAL EXHIBIT 2
ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Paragraph 7.0, Administration of Contract- Contractor	The Contractor shall notify the County in writing of any change in name or address of the Contract Manager.	Inspection and observation	\$50 per occurrence of failure to notify.
Contract: Subparagraph 7.2.1, Contractor's Contract Manager	The Contractor shall notify the TTC of changes, with resume, within ten business days.	Complaints, inspection and observation	\$50 per day that notification is late.
Contract: Subparagraph 7.3, Approval of Contractor's Staff	The Contractor will replace/remove unacceptable Contract personnel within one business day.	User complaint(s)	\$100 per employee per occurrence of non-replacement/removal.
Contract: Subparagraph 7.5, Background and Security Investigations	The Contractor will conduct Employee Background Checks in accordance to Subparagraph 7.5.	Complaints, spot checks of assigned personnel	\$500 per incident of non-compliance.
Contract: Subparagraph 7.6, Confidentiality	The Contractor will sign and provide to the TTC employee acknowledgement and confidentiality agreement form(s) within three business days.	Review of reports, complaints	<ul style="list-style-type: none"> • \$100 per day per employee when form is not signed. • \$1,000 per occurrence of unauthorized release of information. Contract termination at the TTC's option.
Contract: Subparagraphs 8.24 and 8.25, Insurance	The Contractor will maintain required insurance policies.	Receipt and review of insurance information	\$100 per day that Contractor is uninsured; Contract termination at the TTC's option.

TECHNICAL EXHIBIT 2
ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Subparagraph 8.26 Liquidated Damages	The Contractor will correct deficiency or deficiencies in the performance of the Contract within a specified timeframe.	Review and user complaint(s)	\$100 per day per failure to correct a deficiency.
Contract: Subparagraph 8.38, Record Retention & Inspection/Audit Settlement	The Contractor to maintain all required documents as specified in the Contract, Subparagraph 8.38.	Inspection of files	\$50 per occurrence of non-maintenance of a record.
Contract: Subparagraph 8.38, Record Retention and Inspection/Audit Settlement	The Contractor to provide required statements according to schedule.	Review of reports	\$50 per day that report is late.
Contract: Subparagraph 8.40, Subcontracting	The Contractor shall obtain the County's written approval prior to subcontracting any work.	Inspection and observation	\$100 per occurrence; possible termination for default of Contract.
SOW: Subparagraph 3.2, Auction Process	The Contractor shall email registered users and bidders in accordance to Subparagraph 3.2.3.	User complaint(s)	\$50 per occurrence.
SOW: Subparagraph 3.8, Offline Bidding Option and Procedures	The Contractor shall structure the auction website to enable potential bidders to register and bid via fax and/or letter.	Observation and user complaint(s)	\$50 per occurrence.
SOW: Subparagraph 3.10, Reimbursements	The Contractor shall refund unused bidder's deposit within 48 hours of the close of auction.	Receipt and review of auction reports	\$50 per bidder per day refund is not issued within the specified time.

TECHNICAL EXHIBIT 2
ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
SOW: Subparagraph 3.11, Payments	The Contractor shall transfer to the TTC corresponding proceeds within 48 hours or an approved timeframe of close of auction.	Receipt and review of auction proceeds	\$50 per parcel per day transfer is not made; Contract termination at the TTC's option.
SOW: Subparagraph 3.13, Sale Information Data File	The Contractor shall capture and report Tax Deed data in a format acceptable to the TTC.	Inspection and review of Tax Deed data reports	\$50 per parcel.
SOW: Subparagraph 3.13, Sale Information Data File	The Contractor shall obtain Tax Deed data from the successful bidder within 48 hours or a time frame acceptable to the TTC after the close of sale.	Receipt and review of reports	\$50 per occurrence, per parcel.
SOW: Subparagraph 3.14, Security/Data Exchange	The Contractor shall provide secured electronic copies as indicated in the SOW, Subparagraph 3.14.	Receipt and review of reports	\$1,000 per occurrence.
SOW: Subparagraph 3.16, Reports	The Contractor shall provide Tax Sale Status Reports within five calendar days after the close of sale.	Receipt and review of reports	\$1,000 each day late.
SOW: Subparagraph 3.16, Reports	The Contractor shall provide Post-Tax Sale Reports within five calendar days after the close of sale.	Receipt and review of reports	\$1,000 each day late.

TECHNICAL EXHIBIT 2
ONLINE AUCTIONS OF TAX DEFAULTED PROPERTY SERVICES
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
SOW: Subparagraph 3.16, Reports	The Contractor shall correct any incomplete reports within five business days of TTC notification.	Receipt and review of reports	\$50 per day late.
SOW: Subparagraph 6.1, Quality Control Plan	The Contractor will provide and maintain a written Quality Control Plan (Plan) in accordance with Subparagraph 6.1 of the SOW.	Receipt and review of Plan	<ul style="list-style-type: none"> • \$100 per day late. • \$500 if Plan is incomplete.
SOW: Subparagraph 6.2.1, Meetings	A Contractor's representative will attend scheduled meetings.	Attendance	\$100 per occurrence of failure to attend.

EXHIBIT D

CONTRACTOR'S EEO CERTIFICATION

CONTRACTOR'S EEO CERTIFICATIONBid4Assets, Inc.

Contractor Name

8757 Georgia Ave., Suite 520 Silver Spring, MD 20910

Address

52-2154558

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | | |
|----|---|---|--|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 2. | The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

Jodi L. Jacobs, Controller

Authorized Official's Printed Name and Title


Authorized Official's Signature2/20/14
Date

EXHIBIT E

COUNTY'S ADMINISTRATION

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY CONTRACT ADMINISTRATOR:

Name: Kathy Gloster
Title: Assistance Treasurer and Tax Collector
Address: 225 North Hill Street #100
Los Angeles, CA 90012
Telephone: 213-974-2077
Facsimile: 213-680-3633
E-Mail Address: kgloster@ttc.lacounty.gov

COUNTY CONTRACT MANAGER:

Name: Ken Press
Title: Operations Chief
Address: 225 North Hill Street #130
Los Angeles, CA 90012
Telephone: 213-974-0070
Facsimile: 213-680-3648
E-Mail Address: kpress@ttc.lacounty.gov

COUNTY CONTRACT MONITOR:

Name: Maribelle de Leon
Title: Chief Tax Services
Address: 225 North Hill Street #130
Los Angeles, CA 90012
Telephone: 213-893-0838
Facsimile: 213-680-3648
E-Mail Address: medeleon@ttc.lacounty.gov

EXHIBIT F

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: Bid4Assets, Inc.

CONTRACT NO: _____

CONTRACTOR'S CONTRACT ADMINISTRATOR:

Name: Will Scott
Title: Senior Director, Government Services
Address: 8757 Georgia Ave., Suite 520
Silver Spring, MD 20910
Telephone: (301) 562-3444
Facsimile: (301) 650-7475
E-Mail Address: wscott@bid4assets.com

CONTRACTOR'S CONTRACT MANAGER:

Name: Reynell Saxon
Title: Senior Account Manager
Address: 8757 Georgia Ave., Suite 520
Silver Spring, MD 20910
Telephone: (301) 562-3435
Facsimile: (301) 650-3471
E-Mail Address: rsaxon@bid4assets.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Jesse D. Loomis
Title: Chief Executive Officer
Address: 8757 Georgia Ave., Suite 520
Silver Spring, MD 20910
Telephone: (301) 562-3421
Facsimile: (301) 650-9194
E-Mail Address: wscott@bid4assets.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S) *Continued...*

Name: Will Scott
Title: Senior Director, Government Services
Address: 8757 Georgia Ave., Suite 520
Silver Spring, MD 20910
Telephone: (301) 562-3444
Facsimile: (301) 650-7475
E-Mail Address: wscott@bid4assets.com

Notices to the Contractor shall be sent to the following:

Name: Will Scott
Title: Senior Director, Government Services
Address: 8757 Georgia Ave., Suite 520
Silver Spring, MD 20910
Telephone: (301) 562-3444
Facsimile: (301) 650-7475
E-Mail Address: wscott@bid4assets.com

EXHIBIT G

**ACKNOWLEDGEMENT AND CONFIDENTIALITY
FORM(S)**

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

G1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

OR

G2 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT

G3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME _____ Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT H

JURY SERVICE ORDINANCE

(Intentionally Omitted)

EXHIBIT I

FEDERAL EARNED INCOME CREDIT
(IRS Notice 1015)

IRS NOTICE 1015
(Obtain latest version from IRS website -
www.irs.gov/pub/irs-pdf/n1015.pdf)



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2013)

**Have You Told Your Employees About the
Earned Income Credit (EIC)?**

What is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2013 are less than \$51,567 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2014.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

**How Will My Employees Know If They Can
Claim the EIC?**

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2013 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2013 and owes no tax but is eligible for a credit of \$800, he or she must file a 2013 tax return to get the \$800 refund.

Notice 1015 (Rev. 12-2013)
Cat. No. 205991

EXHIBIT J

SAFELY SURRENDERED BABY LAW

(Intentionally Omitted)

EXHIBIT K

**DEFAULTED PROPERTY TAX
REDUCTION PROGRAM**

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.
- 2.206.020 Definitions.
- 2.206.030 Applicability.
- 2.206.040 Required solicitation and contract language.
- 2.206.050 Administration and compliance certification.
- 2.206.060 Exclusions/Exemptions.
- 2.206.070 Enforcement and remedies.
- 2.206.080 Severability.

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.

B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

1. Chief Executive Office delegated authority agreements under \$50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.

B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.

C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Company Name: Bid4Assets, Inc.		
Company Address: 8757 Georgia Ave, Suite 520		
City: Silver Spring	State: MD	Zip Code: 20910
Telephone Number: 301-650-9193	Email address: Service@Bid4Assets.com	
Contract for: Online Auctions of Tax Defaulted Property Services		

The Contractor certifies that:

- ☒ It is familiar with the terms of the County of Los Angeles Defaulted Property Tax Reduction Program, Los Angeles County Code Chapter 2.206; **AND**

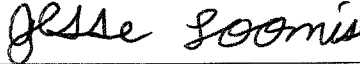
To the best of its knowledge, after a reasonable inquiry, the Proposer/Contractor is not in default, as that term is defined in Los Angeles County Code Section 2.206.020.E, on any Los Angeles County property tax obligation; **AND**

The Proposer/Contractor agrees to comply with the County's Defaulted Property Tax Reduction Program during the term of any awarded contract.

- OR -

- ☐ I am exempt from the County of Los Angeles Defaulted Property Tax Reduction Program, pursuant to Los Angeles County Code Section 2.206.060, for the following reason:

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name: Jesse D. Loomis	Title: Chief Executive Officer
Signature: 	Date: February, 21 2014

Date: 2/21/14